From:

<PUGGAH@aol.com>

To:

<mmalone@mail.state.tn.us>

Date:

6/29/00 3:11pm

Subject:

Lynnwood Utilities debate

'00 JUN 29 PM 3 45

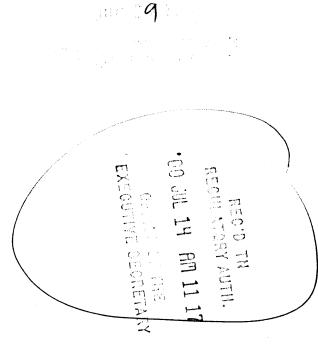
Dear Mr. Malone,

99-02507 When we first moved to Cottonwood Subdivision in Franklin in 1994, it fulfilled a dream we had when we first married in 1978. Expositive in beautiful Williamson County was a given when we relocated from Florida. My wife and I were delighted to find a home in this much sought-after community. Our neighbors are our friends.

In these last few years we have bemoaned all the new developments springing up all around us. While the expensive new homes have perhaps brought our property value up, the increased water and sewer usage has caused major problems for us in Cottonwood. Lynnwood Utilities met with our Cottonwood Homeowner's Association and assured them that the upgrades being done to the sewer treatment plant would not affect our monthly fees. But two months ago we received a new bill in the mail for \$40.00 and another for the next month for \$50.77. This a jump from \$16.75 a month. Some families were estimated as \$100 a month. This is ridiculous! This is 70% higher than another sewer service in our same area!

The developers are David Terry and Smith, Crowe, Wilson LLC. Shouldn't they be assessed for these added impovements? After all, they are the ones who have made a lot of money from the sale of the lots to the builders. No one asked us if they could build multi-million dollar homes nearby and charge us for improvements in a sewer system which was sufficient for the number of We are innocent. It isn't fair and someone needs homes in our community. to stand up for us. Please do your part to fairly represent us in this matter. We appreciate and say thank you in advance for anything you could say or do to help us out.

Best Regards, Mr. and Mrs. Woody Peek, Jr. 609 Countryside Court Franklin, Tenn. 37069



REC'D TH

From:

"Claudia Fielder" <cgf33@prodigy.net>

REGULATORY AUTH.

To:

<mmalone@mail.state.tn.us>

Date:

6/29/00 5:23pm

*00 JUN 29 PM 3 45

Subject:

Dear Mr. Malone,

Lynnwood Utility

OFFICE OF THE EXECUTIVE SECRETARY

I am a resident of Cottonwood in Franklin, and am very concerned about the increase in our sewer rates. Since 1996, developers of the Legends Ridge and River Landing subdivisions have owned Lynnwood Utility because they needed access to and control of a sewage treatment plant in order to be able to develp their subdivisions.

Lynnwood's owners misled and misrepresented their plans to the Cottonwood Homeowners' Association Board of Directors, leading the Board to believe that rates paid by Cottonwood residents would no be adversely affected by Lynnwood's expansion plans.

These land developers who became Lynnwood Utility owners (David Terry followed by Smith, Crowe, Wilson, LLC) have engaged in a complex sequence of financial arrangements that must be more fully explored by the TRA to ensure that Lynnwood Utility's customers' interests have not been sacrificed to secure the profitability of David Terry's and Smith, Crowe, Wilson's land developments.

Lynnwood's new rate of \$5.77 per 1000 gallons of water used is an increase of 300-400% for Cottonwood Residents. The new rate is approximately 70% higher than other sewer services in our area. It is outrageous!

Revenue projections provided to the TRA by Lynnwood Utility are grossly understated due to their failure to reflect the revenues generated by the number of additional households coming on line in Legends Ridge and River Landing.

This rate increase is grossly excessive and should not be allowed to stand. Please reconsider this action.

Thank you for your support.

Regards,

Claudia Fielder 127 Cottonwood Drive Franklin, TN 37069 From:

<RihKel@cs.com>

To:

<mmalone@mail.state.tn.us>

Date: Subject: 6/29/00 3:17pm Lynwood Utility REQUESTORY AUTH.

We need to make you aware that Lynwood Utility has suddenly quadrupled the sewer rate in Cottonwood Subdivision, Franklin, TN. For the past nine years we have paid a monthly fee of \$14.00. As of two months ago, Lynwood Utility ETARY has acquired new ownership by land developers (David Terry's and Smith, Crowe, Wilson's land developments) who are presently developing new subdivisions adjoining Cottonwood.

Since 1996, developers of the Legends Ridge & River Landing subdivions have owned Lynnwood Utility because they needed access to and control of a sewage treatment plant in order to be able to develop their subdivisions.

TRA has approved Lynnwood Utility's requested rate increase (from the new owners) wherein they are charging us \$5.77 per 1000 gallons of water used, which is an increase of 300-400% for Cottonwood residents. PLEASE BE AWARE THAT THE NEW RATE IS APPROXIMATELY 70% HIGHER THAN OTHER SEWER SERVICE IN OUR AREA. Last month our bill was \$51.42 and this month our bill was \$62.83.

Also, revenue projections provided to the TRA by Lynwood Utility are grossly understated due to their failure to reflect the revenues generated by the number of additional households coming on line in Legends Ridge and River Landing.

The rate increase is grossly excessive.

Please e-mail us at the below address so that we may hold comfort in knowing further investigative steps are being taken.

Sincerely,

Mark & Kristie Kellner (RihKel@CS.com)

REC'D TN

From:

<Obridgett@aol.com>

REQUEATORY AUTH.

To:

<mmalone@mail.state.tn.us>, <skyle@mail.state.tn.u...</pre>

Date:

Subject:

6/29/00 12:31pm Lynwood Utilities *00 JUN 29 PM 3 45

To my representatives and TRA members:

OFFICE OF THE EXECUTIVE SECRETARY

I am a resident of Cottonwood Estates in Franklin. As a neighborhood, we have been faced with one problem after another with regard to the newest housing developments in our area. From cutting access roads for the new residents through existing side streets to the obvious overloading of the sewage system (causing documented pollution hazards in the Harpeth River), it seems that these new developments are to be built, regardless of their impact on the residents who are already here.

I'm from southern California, I understand land development, and am not opposed to it on principle. Only when it is done irresponsibly. The latest impact of this irresponsibility is the raising of Lynwood Utility rates by over 300%, to a rate almost 70% higher than those of comparable utilities. The fact that Lynwood Utility is owned by the developers of River Landing and Legends Ridge is an unbelievable conflict of interest in the first place. That notwithstanding, to ask existing customers to pay for the upgrade of a utility in order to be able to service new customers is ridiculous! The TRA should not allow it.

As a resident of Williamson County, I have been appauled by the complete ownership of any sort of government body by land developers. I'm not sure how it is that this sort of collusion continues. However, this action by Lynwood Utilities is so far over the top, I cannot believe that it will stand public scrutiny. I am asking you to be sure that it does not.

Thank you for your time and attention.

Best regards,

Bridgett Evans O'Lannerghty 162 Cottonwood Drive Franklin TN 37069

Sullenger, Eric G.

From:

Sullenger, Eric G.

Sent:

Friday, June 30, 2000 10:16 AM

To:

'mmalone@mail.state.tn.us'; 'skyle@mail.tn us'; 'lgreer@mail.state.tn.us';

Subject:

'rep.charles.sargent@legislature.state.tn.us'; 'sen.marsha.blackburn@legislature.state.tn.us'

Petition for Reconsideration - July 11,2000

I am a current Cottonwood resident and I am writing to respectfully request that you reconsider your May 10, 2000 action in which you approved Lynnwood Utility's request for a rate increase. When the Cottonwood Homeowners' Association Board of Directors was approached by the owners of Lynnwood Utility, regarding the expansion of the sewer system, they were led to believe that the rates paid by Cottonwood residents would not be adversely affected by these expansion plans and that the majority of the expenses would be recouped by revenues generated from tap fees and monthly sewer charges from the Legends Ridge and River Landing subdivisions. Our board fee's that the owners of Lynnwood Utility misled and misrepresented their plans which caused the board to mislead approximately 300 residents of Cottonwood.

Our new rate of \$5.77 per 1000 gallons of water used and is an increase of 200-400% for Cottonwood residents. This new rate is approximately 70% higher than other sewer service in our area. Personally, my monthly sewer charges have gone from \$16.25 per month to an average of approximately \$50.00 per month which represents an increase of 208%. While I have not personally reviewed the revenue projections which were provided to the TRA by Lynwood Utility, I have to wonder if whether or not all the households coming on line in Legends R dge and River Landing were included. I also understand from talking to members of our board that as many as 75 lots were developed in Legends Ridge in which no tap fees were paid.

My request is that the TRA fully explore the financial arrangements which were made by the developers of Legends Ridge and River Landing who have also become the owners of Lynnwood Utility (David Terry followed by Smith, Crow, Wilson, LLC) to ensure that Lynnwood Utility's customers' interests have not been sacrificed to secure the profitability of these new residential developments.

Thank you for your time and consideration

Eric G. Sullenger 135 Cottonwood Drive Franklin, TN 37069 615-595-0536

Bank of America

Fax Cover Sheet

To:

Chairman

Melvin Malone

Director H. Lynn Green

Company:

Sara Kyle

Telephone Number:

Tennessee Regulatry Authority

Fax Number

741-5015

Date

6-30-00

From:

Eric Sullanger

Department:

Real Estate Banking Group

Telephone Number.

(615) 749-3400 3L7 8

Fax Number

(615) 749-4716

Number of pages including this cover sheet

If transmission problems occur, please call:

MESSAGE:

Please see attached

The information contained in this FAX message is intended only for the confidential use of the designated recipient named above. This message may contain contractual and proprietary information and as such is privileged and confidential. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error, and that any review, dissemination, distribution or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the message to us by mail.

WILLIAM H. CAROTHERS

701 Mockingbird Drive Franklin, Tennessee 37069-4129

June 23, 2000

30

Sara Kyle Director Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

RE: Appeals Review of Lynnwood Utility Rate Increase

Dear Sir:

As a long time resident of Cottonwood Subdivision I must protest strongly against the onerous rate increase you granted to Lynnwood Utility.

The city of Franklin has two sewer rates – one inside the city limits and one outside the city limits. Since we are outside the city limits it would only be right to compare our rate to that. The rate you approved is 170% above the Franklin rate. I am now paying 3 times what I was before you granted this increase.

There is no break out or allowance for non-sewer water used for irrigation or car washing, etc. Lynnwood says have another meter installed for this purpose. That is not an option when H.B.& T.S. Utility (our water provider) charges a \$1,500 tap fee to set a meter and then the expense of a plumber to make the connection makes it an unreasonable option.

The package plant that we have was bought for only one purpose and that was so the developer could build Legends Ridge and River Landing subdivisions. When these two subdivisions were being designed Cottonwood residents were told that our rates would not be changed and that the two new subdivisions would support the additional capacity required to be added. The Cottonwood residents were not kept informed and the rate request was slipped in without anyone being notified. I feel that Lynnwood Utility has not been truthful and up front with their plans. Cottonwood residents should not be made to pay for the capacity increases that we did not need. Our sewer system was adequate for our needs. I think the Cottonwood residents should be allowed to go back to the system where our sewer rate was based on the number of bedrooms in each house.

Please do not allow this rate increase to stand. If you do allow it you are forcing Cottonwood to pay for increases to our system that we do not derive any benefit from.

Our system is private and it was ripped off from us to benefit another party. That is not fair.

Please do what is right and roll back this rate request.

Sincerely,
William & Carothers

William H. Carothers

Phillip M. Proctor 185 Cottonwood Drive Franklin, TN 37069

July 7, 2000

Ms. Sara Kyle Director - Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Dear Ms. Kyle:

I have been a resident of Cottonwood for 13 years and in that time have always had reasonable water & sewer rates. I have been to every meeting since 1996 regarding the expansion and sale of Lynnwood Utility by Dave Terry & Associates. We in Cottonwood were told our rates would not increase. This is out right **fraud**; my water/sewer bill is now 300% higher than 6 months ago. It is obvious to the residents here that Cottonwood is paying not only for the upgrade of the treatment plant, but also for its expansion for Legends Ridge and River Landing subdivisions.

I am convinced that the present owners of Lynnwood Utility will say anything to get what they want whether it be true or not to reach their goal of building more homes and making more money. This is proven by our dramatic increase in our water/sewer rates. These people must be investigated! Thank you for your attention on this matter.

Singerely,

Phillip M. Proctor

HE CAMES ONE COMP

From: Bruce Weekley <BruceW@VentureConstruction.com>

To: 'Lynn Greer' <lgreer@mail.state.tn.us>

Date: 7/12/00 12:40pm

> Tennessee Regulatory Authority

Subject: RE: Lynnwood Utility, Docket # 99-00507 -Reply

It seems to me that Lynnwood Utility was given a chance to represent themselves on July 11 but chose not show up. I am sure they were much better notified of yesterday's hearing than The Cottonwood Homeowners! When is the next opportunity to hear this important docket?

Thanks,
Bruce Weekley
Vice President
Nashville Division

CC:

```
> ----Original Message----
> From: Lynn Greer [SMTP:lgreer@mail.state.tn.us]
> Sent: Wednesday, July 12, 2000 12:51 PM
> To: BruceW@VentureConstruction.com
> Subject: Lynnwood Utility, Docket # 99-00507 -Reply
>
> Thank you for your e-mail. Unfortunately, I am not allowed to discuss an ongoing case without all parties being given the oportunity to participate in a public forum. Mr. Martin has been given the opportunity to participate in the extended portion of this docket and will be representing the the utility users.
> I appreciate your concerns.
> Lynn Greer, Director
```

"'Mr. Melvin Malone'" <mmalone@mail.state.tn.us>, ...

Bruce Weekley <BruceW@VentureConstruction.com> From: To:

"'Ms. Sara Kyle'" <skyle@mail.state.tn.us>, "'Mr. ...

7/12/00 8:31am Date:

Lynnwood Utility, Docket # 99-00507 Subject:

Dear Directors,

I attended the Hearing on The Petition for Reconsideration for rescinding the approval for the sewer rate increase for Lynnwood Utility. I am appalled at the bureaucratic red tape that we will have to go through to get any action on this matter but not surprised. Meanwhile, I have received my sewer bill for June and it is \$133.86 which is an increase of 723.8%. My May bill was \$ 77.32 which is an increase of 375.8% and for April it was \$42.03, only a 258.6% increase. Unlike my neighbor who spoke, I did not leave my water on accidentally over night and unlike Mr. Sargent I do have a nice green yard and a nice large flower and vegetable garden. I guess I could stop watering and let everything die while you guys drag out the process of protecting us, the consumers which is your position.

You brought up the point that no one opposed the request for an increase. We also were not notified! Lynnwood was expedient in enclosing a letter in their billing to all its customers that an increase had been approved but, never enclosed a letter saying that an increase had been applied for. Cottonwood Subdivision has a newsletter that goes out to each homeowner every month but no mention of this petition for a rate increase was every mentioned by Lynnwood in this newsletter. Their were never any signs posted around the Cottonwood Subdivision saying that a rate increase had been applied for! Maybe all this is not legally necessary but it certainly is morally necessary to the people they and you serve.

Lynnwood claimed a loss of \$27,600 in fiscal 1998 and a loss of \$45,000 through October 1999 which if you project it out to December would be \$55,000. If you take \$55,000 and divide by 484 Cottonwood homes you get \$113.64 now divide this by twelve months and you end up with \$ 9.50. To break even, all Lynnwood needs is a \$ 10.00 increase which would bring my bill down to \$26.50 a month, add 10% profit if you wish and the total is \$29.15. This represents nearly a 100% increase but more reasonable than tying our sewer charge to one of the highest if not the highest water rates in the State!

If you guys do not rescind your approval to Lynnwood then you are approving the owners of Lynnwood to become filthy rich at the expense of the consumers who have no where else to go and obtain a service that is vital to any community!

Regulate this increase, do not let it go just because they properly filed their papers and dotted their I's and crossed their T's. You have the power and control to do something now, so go REGULATE!

Thanks, Bruce Weekley Vice President Nashville Division Dear Ms. Kyle:

Re: Lynnwood Utility Rate Increase

As a Cottonwood resident, I firmly believe the rate increase is grossly excessive and should not be allowed to stand.

Our subdivision was led to believe that our sewer rates would not change simply because Lynnwood Utilities expanded to add another subdivision. This rate increase was not handled properly at all. As of the first of the year, we started getting monthly statements. Then, in March or April, we got a letter stating that our billing method has changed and now our rate is tied to our water consumption. Therefore, this automatically tripled my bill and even quadrupled my neighbor's.

I am requesting that you consider this matter on behalf of Cottonwood Subdivision. Thank you in advance for your attention to this problem.

Sincerely,

Thr. of Mrs. Scott Knight

Mr. & Mrs. Scott Knight



<MATTCOYLE@aol.com> From:

<mmalone@mail.state.tn.us>, <skyle@mail.state.tn.u...</pre> To:

7/10/00 5:10pm Date:

Lynnwood Utility excessive rates Subject:

Dear Mr. Malone, Ms. Kyle, Mr. Greer, Mr. Sargent, and Mrs. Blackburn,

We are writing to express our concerns about the skyrocketing rates for sewer access in our subdivision of Cottonwood in Franklin, TN. We have been Cottonwood residents and our sewer rates have tripled since the TRA approved Lynnwood Utilities increase. Our homeowners board was assured by the new owners, who just happen to also own 2 new luxury home subdivisions which now use Lynnwood Utility, that the expansion of the water treatment plant would not adversely affect our rates. This could not have been more false! We see a significant conflict of interest in the ownership of 2 subdivisions and the utility plant. Cottonwood, in essence, is subsidising the development of the owners' property by paying for the new subdivisions' water treatment with the astronomical increase in our rates. This new rate of \$5.77 / 1000 gallons of water used is about 70% higher than other sewer service in our area. In addition, we receive no break for any outdoor watering done which, of course, completely bypasses the sewer! We will, due to work, be unable to attend tomorrow's meeting, but we implore you to reconsider this rate increase approval and make it equitable for the people in Cottonwood. Thank you so much for your time and consideration.

Sincerely, Matthew and Maggie Coyle, 1109 Greenleaf Way, Franklin, TN 37069.

<Dixonamy@aol.com> From:

<mmalone@mail.state.tn.us> To:

7/11/00 9:07am Date: Lynnwood Utility Subject:

Dear Mr. Malone and Ms. Kyle:

I would like to express my shock and dismay over the exorbitant rates I am being charged by Lynnwood Utility for sewer service. I am a resident of the subdivision of Cottonwood. Having lived here since 1991 with no increase in rates, I can understand a moderate increase to offset the increased cost in providing services. That, I feel, is reasonable. The enormous jump in the rate charged by Lynnwood, however, is unconscionable. I must have been "asleep at the wheel" to be unaware of any regulatory hearing on the proposed By the time I was aware of it, the rate had already been increase. approved. I felt helpless.

After reading an article in The Tennessean of June 29, I felt compelled to let my voice be heard. Please represent your constituents and fight for us. My bill for June went from \$16.25 to \$55.96. I hope you can understand my indignation at such a gouge to the public serviced by Lynnwood. Respectfully,

Amy Dixon 140 Riverwood Drive Franklin, TN 37069

<skyle@mail.state.tn.us> CC:

```
DScott@naruc.org
From:
             "NARUC Membership List" <naruc-members@nrri.ohio-s...
To:
             7/11/00 10:20am
Date:
             Officer Rotation amendment
Subject:
> Dear Commissioners -
> At the NARUC Summer Committee, we will conduct a general business session
> on Tuesday, July 25 during the Business Luncheon beginning at 12 noon.
> the meeting, the members of the Association will consider amending the
> NARUC Constitution to expand the size of the Executive Committee to ensure
> representation by each NARUC region. The proposed amendment and cover
> memo as distributed to the member commission in June is attached.
> Please let me know if you have any questions on this matter.
> Thanks for the opportunity to be of service,
> Chuck Gray
> Executive Director
> <<Constitutional Amendments.doc>> <<Excom Expand Amnd.doc>>
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MEMORANDUM

TO: The Chair of Each State Commission

FROM: Charles D. Gray, NARUC Executive Director

J. Bradford Ramsay, NARUC General Counsel

DATE: June 21, 2000

SUBJECT: Amending NARUC's Constitution at the 2000 NARUC Summer Meeting

At its Winter Meeting in March 2000, the NARUC Board of Directors adopted a "Resolution on Presidential Succession" establishing the Association's policy for the selection of its officers from the respective regional associations. A copy of that resolution is enclosed. The resolution also directed that NARUC convene a plenary session at the Summer Meetings in Los Angeles to consider amending the NARUC Constitution to revise the makeup of the Executive Committee to expand representation by the regions. The plenary session required by the March resolution has been scheduled as a "Commissioner Only Business Luncheon" on Tuesday, July 25, 2000, beginning at noon PDT in the Pavilion Room of the Century Plaza Hotel in Los Angeles. At the plenary session, the membership will consider the enclosed resolution entitled "Resolution Amending the NARUC Constitution to Provide for Regional Affiliate Representation on the Executive Committee."

The purpose of this memo is to comply with Section 3, Article X of NARUC's Constitution, which requires NARUC's Executive Director to send to each commission represented in the Association notice of proposed amendments to the Constitution 30 days prior to their consideration at Winter or Summer Meetings.

Please share this memo and its attachments with your fellow commissioners.

If you have any questions, please do not hesitate to contact the NARUC office if you have any questions about these proposals.

Resolution Amending the NARUC Constitution to Provide for Regional Affiliate Representation on the Executive Committee

WHEREAS, it is desirable that the NARUC Executive Committee have representatives from each of NARUC's five regional affiliates; now therefore be it

RESOLVED, that Article VI, Section 5, of the NARUC Constitution is amended as follows:

- (1) The words "and two other" are stricken from the first sentence of the section;
- (2) The words "and up to three additional" are substituted for the stricken language; and
- (3) Adding after the first sentence the following: "The NARUC President shall assure that each of NARUC's five regional affiliates are represented by at least one serving and voting member of the Executive Committee."

Sponsored by the Executive Committee

"Craig Kaplowitz" <craigandemily@earthlink.net> From:

<mmalone@mail.state.tn.us> To:

7/11/00 10:58am Date:

Lynnwood Utility rate increase Subject:

Mr. Malone and Ms. Kyle,

My husband and I moved to Cottonwood last month, so we have just now been informed of Lynnwood Utility's rate increase for Cottonwood residents. This email is to register our concern that the developers of the new subdivisions in this area understated the revenue projections they provided to the TRA, and that our neighbors are partially subsidising the development of these neighborhoods with their higher sewer bills. It looks as if you have spent much time and energy on this issue in the past few months. Thank you very much for your attention.

Emily Kaplowitz

<skyle@mail.state.tn.us> CC:

From: Claudia Wadzinski <sold@bellsouth.net>

To: <skyle@mail.state.tn.us>

Date: 7/11/00 11:36am

Subject: utility rate increase!

Please review for fairness the circumstances of the utility increase seen by homeowners (like myself) of the Cottonwood neighborhood in Franklin, TN. Your response would be appreciated.

Sincerely, Claudia & Brian Wadzinski 111 Riverwood Dr Franklin, TN 37069 (615) 591-1913 Dear Mr. Malone,

I am writing to seek your help and the help of the TRA to stop the outrageous rate increase currently before your organization. The new rate proposed by Lynwood Utility is many times higher than any other sewer service in our area and is an increase of several hundred percent !!!!!

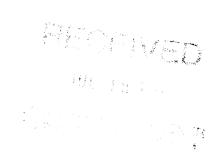
It is hard enough to raise a family these days - please don't allow this injustice to make it even harder to make ends meet.

Thank you for your consideration,

Rich Gootee, 1208 Gillette Ct. Franklin, TN. 37069

Get Your Private, Free E-mail from MSN Hotmail at http://www.hotmail.com

Ms. Sara Kyle Director, Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505



Dear Ms. Sara Kyle:

I am a Cottonwood resident and a customer of Lynwood Utility. I would like to inform you of my opposition to the recent rate hike granted to Lynwood Sewer Utility. First, it is my belief that the current owners are passing on the debt they assumed from Dave Terry to us the customers in Cottonwood via the rate increase. It is my understanding that this debt was approximately \$300,000 and resulted from the waving of tap fees to residents in Legends Ridge. Irresponsible management should not be underwritten on the financial backs of Lynwood's existing customers. This sets a bad principle of allowing business to operate without jeopardy of failure and financial loss. They should not be allowed to pass on these losses to their customers who had nothing to gain from the venture. Second, I believe the rate hikes are out of line with the current market rate for other sewer service providers in this surrounding community. Our rates at \$5.77/thousand gallons is almost double other rates. It has resulted in almost a 200% increase from our previous bill. Third, customers under the approved rate structure are being billed for gross water usage year round regardless if the waste goes through house to the sewer or the water is used for irrigation of landscaping. Why should Lynwood be allowed to collect fees on water they do not have to process though facility.

Consider this as well, according to Lynwood's own profit and loss forecast for 2000, they are meeting operating expenses with revenue. The directors should be aware that the capacity of Lynwood before the recent upgrade was around 250,000 per day. After the expansion, the new capacity is around 600,000 gallons per day. With the existing base of customers, Lynwood is only utilizing about 50% -60 % of this new capacity. Yet, they are charging their customers a rate to cover all their operating expenses and overhead as if they were operating at full capacity and their were not going to be any additional customers. When all the customers in Legends Ridge and Rivers Landings are hooked up, as in their plan, their revenues will not only exceed operating expenses but their allowed 8% return on investment. Plus, they will still be operating at around 75%-80% capacity, allowing them to seek out new customers and expand revenue further. It is obvious that whatever new customers they add will only

contribute to a gross profit far beyond what the TRA had in mind as a fair profit.

I do not understand why the TRA did not consider structuring the rates at a fee level based on real usage growth and capacity of at least 80% or more. I believe that Lynwood should project their future revenue with this growth in mind and based their fees more modestly keeping in mind the economies of scale they will gain from near or full capacity and usage.

When you next consider the Lynwood case on your agenda in July keep these facts in mind. I urge you to vote for a restructuring of Lynwood's fees or at least to put a hold on the rate increase until further consideration is given to the facts I have presented in this communication. Also, whatever rate structure we are billed under should also include consideration for the use of water for irrigation of my lawn. Lynwood should not be allowed to collect fees for any water usage they have not processed through their plant. It is my understanding that rate averaging is the standard method used to alleviate this problem. Please consider this as well.

Sincerely,

Stephen H. Wurzel

From: "Rick Wimberly" <rwimberly@dccusa.com>

To: <mmalone@mail.state.tn.us>, <skyle@mail.state.tn.u...</pre>

Date: 7/10/00 11:48am

Subject: Lynnwood Sewar's Horrible Rate Increase

Certainly, prices sometimes go up...but, I don't recall ever being subjected to such a drastic and unjustified increase for any service as the increase being forced upon us by Lynnwood Utility. We strongly encourage you to reconsider the Lynnwood increase.

When new ownership purchased the Lynnwood facility and proposed to add other neighborhoods to the facility, we were ASSURED and PROMISED that we would not be subjected to a significant increase. I recall the meetings vividly. Yes, improvements were needed and, yes, we anticipated some increase...but, certainly not the 300% to 400% increase we're seeing. I, in fact, sent my first increased bill back to Lynnwood, confident they had made a mistake, and was shocked to learn that no mistake had been made.

Surely you can imagine how we feel. We still are exposed to pungent odors from the plant. (We interrupted a neighborhood dinner party Saturday night and called the natural gas company out, thinking our neighbors were experiencing a natural gas leak. When the United Cities serviceman arrived, his instruments showed the odor was methane gas...in other words, sewer gas from the Lynnwood plant). We see construction of very upscale large neighborhoods all around us which are to benefit from the Lynnwood plant in our neighborhood. And we, after being assured exactly the opposite, are paying an exorbitant price increase.

Please reconsider the rate increase. It's unfair for Cottonwood residents to pay the load of the new, very upscale neighborhoods being built. It's unfair for us to have been misled. It's unfair for our sewage rates to be tied to our water use. It's unfair for us to be paying significantly higher rates than other neighborhoods.

I apologize for not being able to attend the meeting on July 11th. If the out-of-town engagement could be changed, it would have been.

I anxiously await your decision.

Regards,

Rick Wimberly 106 Gillette Drive Franklin, TN 37069 794-2803 791-3967

Dr. & Mrs. Glenn Acree 213 Heather Drive Franklin, TN 37069

July 10, 2000

Ms. Sara Kyle Director- Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Dear Ms. Kyle,

Our family lives in the Cottonwood subdivision in Franklin, Tennessee and we are very disturbed by the recent rate increase for sewer services by Lynnwood Utility. We previously paid a flat \$17 a month for sewer services. This rate was based on the number of bedrooms in our house. We have lived in Cottonwood about three years, but understand the same flat rate has been charged since the subdivision was built. Since the rate increase in March, our sewer bills have been \$68 in April and \$55 in May. This coupled with our already high water rate amounts to a significant monthly bill for water and sewer services.

Since moving to Franklin we have always felt our water rates were high. Our water bill has averaged \$57 per month for the last 12 months. We previously lived in Winston-Salem, NC in a similar size house with the same number of bathrooms and family members. Our water and sewer bill combined averaged around \$50 bimonthly. Prior to living in North Carolina, we lived in Stone Mountain, Georgia. Our house in Georgia was smaller but we still had two bathrooms and similar water usage. Our bimonthly water and sewer bill ran about \$40. We did live within the city limits in both of these towns and understand that our rates were lower due to being within the city limits. However, living outside the city limits in Franklin should not result in a water bill, excluding sewer, to be double what we were paying for water and sewer combined.

Now we have the sewer rate increase by Lynnwood Utility. In May we paid a whopping \$133.84 for water and sewer services for a one-month period. In June the combined bill was \$106.83. We believe the \$5.77 rate per 1,000 gallons being charged by Lynnwood Utility is excessive. In a June 6th article in the *Williamson A.M.*, the water and sewer rates for the city of Franklin and neighboring communities were given. The sewer rate for customers living in Franklin, but outside the city limits, was \$3.872 per 1000 gallons, for 10,000 gallons usage. Inside the city limits of Franklin, the rate went down to \$2.275 per 1000 gallons, for 10,000 gallons usage. If you compare the \$3.872 rate to our \$5.77 rate, we are paying approximately \$19 more per month (at a usage of 10,000 gallons per month) or \$228 more per year.

As concerned homeowners in Cottonwood we ask that you reconsider your approval of Lynnwood Utility's requested rate increase. Our sewer bill is going from \$17 per month, or \$204 per year, to approximately \$55-\$60 per month, or \$660-\$720 per month. The additional \$400 to \$500 more per year will be difficult for our family budget and this monthly bill was not expected when we moved to this area. Thank you for your attention and review of this matter and we look forward to hearing good news after the July 11th meeting where our Petition for Reconsideration will be reviewed.

Sincerely,

Kim Acree

Glenn Acree

From: <RCooper651@aol.com>

To: <mmalone@mail.state.tn.us>

Date: 7/9/00 10:07pm Subject: Lynnwood Utility

Mr. Malone,

I apologize for the informality of this correspondence. I am trying to tie up some loose ends while my husband is in Baptist Hospital awaiting a triple bypass surgery tomorrow morning. With wait awaits us in the morning you must be able to see that this matter with Lynnwood is very important to us for me to be taking the time to write you tonight.

We have lived in the Cottonwood subdivision since October of 1994. As you are already aware the price for our sewer services has jumped tremendously. I am not able to think very clearly at this point in time to go over all of the issues such as Lynnwood's owners misleading and misreprepresenting their plans to the CHOA Board of Directors. But Mr. Malone I do not think that it is fair for us to have to pay the prices we are having to pay for this service. Our sewer bill is now more than our water bill. We have a swimming pool in our backyard and when I have to add water to it I am paying for double water because I am charged for sewer service on that water that never sees the sewer. The same goes with watering our landscape. There has to be a better way to charge for this service.

I hope you will consider all of the facts that others have brought to your attention and understand my attempts of communication our concerns. Thank you for your time in this matter.

Roberta Cooper 145 Riverwood Dr. Franklin, TN 37069

 From: "Hamburg" <gandphamburg@home.com>

To: "Marsha Blackburn" <sen.marsha.blackburn@legislatu...

Date: 7/10/00 6:43am

Subject: Lynwood Utility Rape Increase

As a user of this sewage system, I want to express my extreme concern of the fairness of the recent rate increase.

I have lived in Cottonwood for 22 years and have never felt I have gotten the shaft like this before. I seems very obvious to me that we are being asked to fund the upgrade and expansion to allow more users. It would seem to me that the new owners, who bought it to be able to develop new properties, should pay the upgrade!

I now understand that our rates are 70% higher than those around us. How can you allow us to go from a well working fair system to such an unfair system?

I hope when you take action tomorrow on the Petition for Reconsideration you will do the right thing and put the burden of finance where it belongs...with Mr. Terry and Smith, Crowe, Wilson, LLC.

Sincerely,

Gary N. Hamburg 166 Riverwood Dr. Franklin, TN 37069 From: "Lorens" <llorens@home.com>
To: <mmalone@mail.state.tn.us>

Date: 7/8/00 12:21am

Subject: TRA-Lynwood Utility Rate Increase

Dear Mr. Malone,

I am writing this brief memo to express my concern over the extremely excessive rate 300-400% rate increase of Lynwood Utility. I am sure my concern is shared by the several hundred fellow Cottonwood residents. We have been residents in Cottonwood since 3/95 and fully understand that customary rate increases must be made to offset the rising cost of operations/maintenance. However, the actions of Lynwood Utility (Dave Terry) warrant further investigation and review by you and your colleagues at TRA. To pay 70% higher for sewer service as compared to other sewer services in our area definitely seems out of line.

We appreciate your consideration and attention to this matter.

Sincerely,

Stephen E. Llorens Cottonwood Resident

From: <CCampbellps@aol.com>

To: <mmalone@mail.state.tn.us>

Date: 7/8/00 9:12am
Subject: LYNNWOOD UTILITY

PLEASE RECONSIDER YOUR PRIOR APPROVAL OF THE RATE INCREASE FOR LYNNWOOD UTILITY. CURRENTLY I AM SERVING AS PRESIDENT TO COTTONWOOD HOMEOWNERS ASSOCIATION. FOR THE PAST FOUR YEARS I HAVE BEEN INVOLVED WITH THE VARIOUS DEVELOPERS AND OWNERS OF LYNNWOOD UTILITY AND THE SURROUNDING DEVELOPMENTS. WE AS A BOARD HAVE TRIED TO WORK WITH ALL PARTIES INVOLVED ON A FAIR AND IMPARTIAL BASIS. WE FULLY EXPECTED OUR RATES TO INCREASE. HOWEVER, TO GO FROM PAYING \$14.25 PER MONTH TO OVER \$70 IS EXTREME. OUR SEWER BILL IS NOW HIGHER THAN OUR WATER BILL. PLEASE CONSIDER EITHER LOWERING THE RATE OR PERHAPS USING THE WINTER MONTHS AVERAGE USAGE AS A BASE FOR THE MONTHLY CHARGE. THANK YOU FOR TAKING THE TIME TO READ THIS AND FOR SERVING ON THIS REGULATORY AGENCY.

BARRY CAMPBELL 1505 COUNTRY CLUB COURT FRANKLIN TN 37069 615-794-4944

cc: <skyle@mail.state.tn.us>

From: "taylor morris" <taylor morris@email.msn.com>

To: <mmalone@mail.state.tn.us>, <skyle@mail.state.tn.u...

Date: 7/8/00 4:55pm

Subject: Lynwood Rate Increase

Ladies and gentlemen,

Residents of Cottonwood have been encouraged by the Cottonwood Homeowners Association (CHOA) to contact you regarding the recent exorbitant sewer rate increase approved in May by the TRA. No encouragement is needed, only direction about with whom to voice our collective and individual displeasure and concern.

When first informed by David Terry et al, new owners of Lynwood Utility District, I could not believe that the rate increase was justifiable or fair or that it had been approved by the TRA! Was the TRA aware that Mr.. Terry misrepresented his plans to the CHOA not to raise rates or in any way adversely affect Cottonwood Homeowners by his expansion needs for Legends Ridge and River Landings? Weren't the new developments supposed to pay for required improvements to the system? Pity the day we believe a developer's claim that our interests will not be sacrificed for his profitability.

How can 300-400% increases in monthly charges at a rate 70% higher than services in the surrounding area? What is a reasonable cost of services and how does the TRA track Lynwood's financials to insure compliance with claims and projections? Were the claims even accurate? It is our understanding that Lynwood's revenue projections were grossly understated by not accounting for income generated by additional households utilizing the system.

I urge the TRA to re-examine Mr.. Terry's request and require him to replace it with a fair and equitable sewer rate based on reality. Although unable to attend the Petition for Reconsideration meeting on July 11, I await the outcome with great interest.

Sincerely,

Taylor O. Morris 400 Stable Drive From: John Fraser <frasergroup@home.com>

To: <mmalone@mail.state.tn.us>, <skyle@mail.state.tn.u...

Date: 7/5/00 10:20pm

Subject: Petition for Reconsideration...Cottonwood Homeowners

To: The Tennessee Regulatory Authority.

I am writing in support of the petition for Reconsideration filed by the Cottonwood Homeowners Association, which you will be considering on July 11.

When Lynnwood Utilities announced that they would be expanding the service of the utility to include Legend's Ridge and River Landing developments, they went to considerable lengths to assure the residents of Cottonwood that their sewer rates would not be adversely affected. This has not been the case, and while I understand the need to increase a rate that has not increased noticeably in a number of years, I find myself with a 258% rate increase which is exhorbitant. I cannot imagine that you honestly expect ANYONE to happily acquiesce in the face of such an enormous increase.

There are, apparently, a number of other issues regarding the veracity of statements made by David Terry, and his dealings with Legend's Ridge sewer taps that you are investigating. I applaud you for that, wish you well, and petition you to roll back the onerous rate increase that you approved on May 10.

I look forward to a positive result on July 11.

Sincerely,

John D. Fraser 102 Cottonwood Drive, Franklin TN. 37069 From: "Bill A. Clarke" <bmclarke@juno.com>

To: <qreer@mail.state.tn.us>, <mmalone@mail.state.tn....</pre>

Date: 7/6/00 9:17am

Subject: Cottonwood Homeowner's Association

Attention: Very Important Issue

This is a major protest we are formally writing to complain about the 300-400% increase placed, without warning, on Cottonwood residents. Once again, the less financially comfortable are forced to support the wealthier.

Did Lynnwood Utilities think we would overlook the increase? Did they think they could slip the increase of 300-400% into our normal \$14.25-\$16.25 per month and it would go unnoticed?

Cottonwood maintains matured landscaping. The water that is needed to keep Cottonwood beautiful enters the sewer lines and SHOULD NOT BE COSTLY.

A FAIR SOLUTION IS A RATE AVERAGE THAT IS SHARED!!!!!!!

We think our preposterous rate increase of 300-400% is supporting Legends Ridge and River Landing-----why should they continue to get a free ride? There is something being overlooked, swept under the rug and ignored and Cottonwood is literally paying the price.

You must take notice and HELP US stand up for an upstanding community that has been well maintained for nearly 30 years.

Sincerely,

William and Maureen Clarke and Dorothy Leahy 115 Cottonwood Circle Franklin, TN. 37069

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http://dl.www.juno.com/get/tagj.

From: "Gene Rodriguez" <grod49@home.com>

To: <mmalone@mail.state.tn.us>, <skyle@mail.state.tn.u...</pre>

Date: 7/5/00 8:44pm

Subject: Lynnwood Utilities rate increase

Please accept this as a respectful request to reconsider the above rate increase. My family and I have lived in Cottonwood for 19 years. have been many changes in that amount of time. The building boom in Williamson County has brought may developers to the area and they all need water and sewer access to be able to build their subdivisions. Legends Ridge and River Landing developers bought Lynnwood Utility for that purpose. When Lynnwood's plans for expansion were presented to The Cottonwood Homeowner's Association, they were misleading and misrepresented. The Board was led to believe that Cottonwood residents would not be paying a higher rate for sewer service. I think that it is a conflict of interests when land developers are in control of water, sewer or electricity used by other residents in other subdivisions not owned by the developers. I request that you look further into the dealings of David Terry, Smith, Crowe, Wilson, LLC to be sure that Cottonwood homeowners are not paying the price for the development of sewer for other new neighborhoods. Let the people who can afford to purchase these \$400,000 and up homes foot the bill! A 300-400% rate increase for Cottonwood residents speaks for itself. It should not have happened but it has. In your meeting on July 11th, I am asking you to please reconsider this rate increase. It is putting an unfair burden on my family and I think that it is unnecessary. Sincerely,

Henry and Gene Rodriguez 142 Riverwood Drive Franklin, TN 37069 Thomas V. Wilk 161 Riverwood Drive Franklin, TN 37069

July 5, 2000

Ms. Sara Kyle
Director & Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Dear Ms. Kyle:

I am writing to you because I am a current user of the Lynnwood Utility. It is my understanding the current owners of Lynnwood Utility have presented to the Tennessee Regulatory Authority a rate increase proposal that would quadruple my current sewer rates. I think this is a serious injustice and believe it to be a grossly excessive rate increase.

For your benefit, the developers of the Legends Ridge and River Landing subdivisions have owned the Lynnwood Utility. They owned the utility because they needed access to and control of a sewerage treatment plant in order to be able to develop their subdivisions.

During the course of various informational meetings with Lynwood Utility, their owners misled and misrepresented their plans to the Cottonwood Homeowner's Association Board of Directors. This lead our board to believe that rates paid by Cottonwood residents would not be adversely affected by Lynnwood's treatment plant expansion plans.

The land developers who became Lynnwood Utility owners (David Terry followed by Smith, Crowe, Wilson LLC) have engaged in a complex sequence of financial arrangements that must be more fully explored by the TRA to ensure that Lynnwood Utility's customers interests have not been sacrificed to secure the profitability of David Terry's and Smith, Crowe, Wilson's land development.

Lynnwood's new rate of \$5.77 per 1000 gallons of water used is an increase of between 300% -400% for Cottonwood residents. The new rate increase is approximately 70% higher than the other sewer services surrounding Cottonwood.

The revenue projections provided to the TRA by Lynnwood Utility are grossly understated due to their failure to reflect revenue generated by the number of additional

households coming on line in the Legends Ridge and River Landing subdivisions.

I appreciate your consideration while reviewing this matter. I think you will find the facts don't support the need for a 300% - 400% sewer rate increase by the Lynnwood Utility. Thank you in advance.

Sincerely,

Thomas V. Wilk

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Reply Forward Delete E-mail Source Previous Next

From: t.mahan@att.net [Save address]

To: mmalone@mail.state.tn.us, skyle@mail.state.tn.us, lgreer@mail.state.tn.us

Cc: rep.charles.sargent@legislature.state.tn.us, sen.marsha.blackburn@legislature.state.tn.us

Subject: Lynwood Utility

Date: Fri, 30 Jun 2000 15:05:03 +0000

On May 10, the TRA for approved a rate increase requested by the Lynnwood Utility district. As a result of this approval, my sewer bills will reflect a 300 to 400 percent increase.

You have me confused again. You have either been manipulated or misled by a poor businessman who has chosen to recoup his land speculation (gambling?)losses by expecting users of a utility to salvage his poor business decisions.

This is criminal on his part and criminal on your part to not see through this strategy. It is my expectation that you would all (Sargent and Blackburn included) advocate for the fair interests of the citizens of Tennessee and your constituents. This is a clear case of bad decision making. I must say, I am shocked and angered that you have you allowed yourselves to be misled by Dave Terry and risked allowing Williamson County residents to be robbed to support the financial irresponsibilities of Dave Terry.

It is my recommendation that you all take this very seriously and reconsider this decision. This is grossly excessive and should not be allowed to stand.

Dr. Thomas F. Mahan
416 Stable Drive (Cottonwood)
Franklin, Tennessee 37069
615.777.6401(off) 615.777.6402(fax) 615.791.6401(home)
t.mahan@worldnet.att.net
thomas.f.mahan@vanderbilt.edu















From: <Mulvihill7@aol.com>

To: <mmalone@mail.state.tn.us>

Date: 7/6/00 1:30pm
Subject: Lynnwood Utility

Mr. Malone, Ms. Kyle, Mr. Greer, Representative Sargent, and Senator Blackburn:

The last two sewage bills from Lynnwood Utility were \$79.63 and \$54.82...the two previous bills were \$16.25 and \$16.25...would someone be kind enough to explain this to me?

I have been informed that the owners of the Utility purchased it to gain access and control of a sewage treatment plant for their development plans, all the while misleading us, Cottonwood subdivision residents, that their development plans would not adversely affect their present customers. I have no problem with "growth" and "profit"...but I do have a problem with utilities that have increased 300%-400% from one month to another, and are approximately 70% higher than the services rendered by others in our area.

I would appreciate a full investigation from the Tennessee Regulatory Authority, as I perceive your purpose to be to thwart efforts like these by the owners of Lynnwood Utility to gouge long-term residents/customers.

Thanks for your consideration and all your efforts.

Mike & Paula Mulvihill 512 Arbor Drive

 From: Reba F Johnson < reba davejohnson@juno.com>

To: <mmalone@mail.state.tn.us>, <skyle@mail.state.tn.u...</pre>

Date: 7/6/00 7:31pm

Subject: Lynnwood Utility Rate Increase docket # 99-00507

I feel the Lynnwood Utility rate increase to come before the TRA on July 11, 2000 (docket # 99-00507) to be excessive and I urge you to review the request carefully and reconsider Lynnwood's rate increase request. The new rate schedule will increase the sewage rates for Cottonwood residents 300 to 400% and will make the rates 70% higher than other rates in our area.

Our rates as a Cottonwood resident have been very reasonable in the past and we should not be penalized by the expansion of the system to serve new customers in River Landing and Legends Ridge. These new customers should bear the burden of the expansion expense just as Cottonwood residents bore the cost of the sewer system when Cottonwood was developed in the mid 1970's.

Thank you for your consideration in this matter.

Sincerely,

David & Reba Johnson 113 Cottonwood Circle Franklin, TN 37069

 From: Debra Jensen <debrajensen@home.com>

To: "'skyle@mail.state.tn.us'" <skyle@mail.state.tn.us...

Date: 7/7/00 9:28am

Subject: Docket # 99-00507 Lynnwood Utility

My husband and I would appreciate you looking into our recent rate increase on sewer rates from Lynwood Utility. We had been paying \$17/month and the first month of the rate increase our bill was \$57. We could see some type of rate increase, but we can't believe that it actually costs them 3 times more to provide the same service. Also, that was not for a summer month. It doesn't seem fair that we are paying sewer rates for water we use to fill up our kids' pool. When we empty the pool, we use the water to water the trees and flowers in our lawn, so no sewer system is involved. At the current rate, our family will spend \$500 more for sewer this year than in 1999. Please look into this matter. Our four children should not have to suffer to finance the development of homes that sell for three times as much as ours is worth.

Thank you, Debra and Brad Jensen Randolph S. Jones 170 Cottonwood Dr. Franklin, TN 37069 615-794-2170 July 5, 2000

Ms. Sara Kyle Director – Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505



Dear Madam:

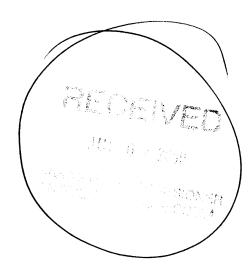
I am a Cottonwood resident and a customer of Lynwood Utility. I would like to inform you of my opposition to the recent rate hike granted to Lynwood Sewer Utility. First, it is my belief that the current owners are passing on the debt they assumed from Dave Terry to us the customers in Cottonwood via the rate increase. It is my understanding that this debt was approximately \$300,000 and resulted from the waving of tap fees to residents in Legends Ridge. Irresponsible management should not be underwritten on the financial backs of Lynwood's existing customers. This sets a bad principle of allowing business to operate without jeopardy of failure and financial loss. They should not be allowed to pass on these losses to their customers who had nothing to gain from the venture. Second, I believe the rate hikes are out of line with the current market rate for other sewer service providers in this surrounding community. Our rates at \$5.77/thousand gallons are almost double other rates. It has resulted in almost a 200% increase from our previous bill. Third, customers under the approved rate structure are being billed for gross water usage year round regardless if the waste goes through house to the sewer or the water is used for irrigation of landscaping. Why should Lynwood be allowed to collect fees on water they do not have to process though facility?

Consider this as well, according to Lynwood's own profit and loss forecast for 2000, they are meeting operating expenses with current revenue. The directors should be aware that the capacity of Lynwood before the recent upgrade was around 250,000 per day. After the expansion, the new capacity is around 600,000 gallons per day. With the existing base of customers, Lynwood is only utilizing about 50% -60% of this new capacity. Yet, they are charging their customers a rate to cover all their operating expenses and overhead as if they were operating at full capacity and there were not going to be any additional customers. When all the customers in Legends Ridge and Rivers Landings are hooked up, as in their plan, their revenues will not only exceed operating expenses but their allowed 8% return on investment. Plus, they will still be operating at around 75%-80% capacity, allowing them to seek out new customers and expand revenue further. It is obvious that whatever new customers they add will only contribute to a gross profit far beyond operating expenses.

I do not understand why the TRA did not consider structuring the rates at a fee level based on real usage growth and capacity of at least 80% or more. I believe that Lynwood should project their future revenue with this growth in mind and based their fees more modestly keeping in mind the economies of scale they will gain from near or full capacity and usage.

When you next consider the Lynwood case on your agenda in July keep these facts in mind. I urge you to vote for a restructuring of Lynwood's fees or at least to put a hold on the rate increase until further consideration is given to the facts I have presented in this communication. Also, whatever rate structure we are billed under should also include consideration for the use of water for irrigation of my lawn. Lynwood should not be allowed to collect fees for any water usage they have not processed through their plant. It is my understanding that rate averaging is the standard method used to alleviate this problem. Please consider this as well.

Roger Day 1503 Country Club Court Franklin, TN 37069 615.794.7794 RDayEmail@aol.com



July 6, 2000

Ms. Sara Kyle Director - Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Dear Ms. Kyle,

I'm writing to you with the sincere hope that you and the other members of the Tennessee Regulatory Authority will reconsider the rate increase you recently approved for Lynnwood Utility and the Cottonwood Subdivision north of Franklin. My first billing went from \$14.25 per month to \$41.54 per month - an increase of almost 3 times or roughly 200%. I'm not sure what your intention was in approving this increase but by any reasonable measurement a bill that triples in the space of one month must be considered excessive.

As you and the other board members reconsider this rate increase, I would ask also that you review more thoroughly the link between the rate increase by the owners of Lynnwood Utility (David Terry followed by Smith, Crowe, Wilson, LLC) and their development of the Legends Ridge and River Landing subdivisions. At best these owners misled the Cottonwood Homeowner's Association and the TRA regarding their intentions as owners of Lynnwood and any potential conflict of interest in requesting a rate increase and the result that an increase would, in effect, subsidize their efforts as land developers. At worst they simply lied.

Though I will be unable to personally attend Tuesday's meeting, my neighbors and I will follow closely whatever action you and the other members take on this matter.

Thank you for your time and attention.

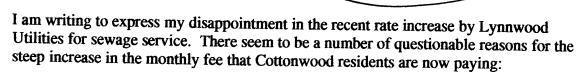
Sincerely yours,

Roger Day

July 3, 2000

Ms. Sara Kyle
Directors: Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Dear Ms. Kyle:



- 1. The increase subsidizes the lack of access fees to have been paid for by David Terry for Legends Ridge dwellings -
- 2. Revenue projections do not take into account new dwellings in Legends Ridge and River Landing -
- 3. This rate was assigned to Cottonwood to shoulder without fully investigating the financial arrangements made by the David Terry and Smith, Crowe Wilson, LLC -

Equally disturbing is the commitment by Lynnwood that Cottonwood homeowners would not be adversely affected by the expansion plans. My monthly sewage bill has increased from \$14.25 to \$36.93 for 28 days of service (April 14 to May 12) for 6400 gallons of water usage. This represents a 260% increase. We are now paying a ridiculous \$5.77 per gallon for sewage. This is higher than our water rate of \$4.68 per gallon.

Interestingly, Franklin City charges sewage fees of \$2.38 per 1000 gallons for residents within the city limits, which translates to \$15.23 fee for the same 28 day period for my home.

It is apparent that Cottonwood is subsidizing the expansion of Lynnwood Utility, paying an excessive rate for sewage, and probably unsound financial reviews/assumptions were made to arrive at this rate increase. I do not feel this rate is appropriate. While expansions/improvements to public or private utilities are inevitable, TRA should reconsider this increase, review the financial aggreements among the developers, and consider the new dwellings in Legends Ridge and River Landing when determine future revenue. Please feel free to call, write, or E-mail a response to my concerns.

Sincerely,

303 Cypress Court, Frankin TN 37069

615-791-9331

Peter2118@aol.com

Kyle L. Peterson

101 Riverwood Dr. Franklin, TN 37069-4178 July 3, 2000

Ms Sara Kyle Director, Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Dear Ms. Kyle.

My wife and I own our home in the Cottonwood Addition, which is served by the Lynnwood Utility Co. Recently, under new ownership and a new arrangement for collecting sewer charges, the rate has increased so that our charges have tripled or more. We believe the new rate of \$5.75 per 1000 gallons is excessive and should be reduced to something reasonable.

We live on the corner of Riverwood Drive and Cotton Road. Since this is one of the entrances to our community, we have tried to keep our lawn, trees and flowers looking nice so as to create a nice impression of our neighborhood. This has required a great deal of irrigation during the summer months, and we have done this to the extent that water was available. But now that our sewer charges are based on water usage, as a retired couple we will not be able to afford this expense.

It seems to us that either the rate should be reduced to something more reasonable, or some sort of rate averaging should be done so that we do not pay sewer fees for water used in summer months to water our lawns, trees and plants.

Please give consideration to the above.

Charles J. Bank
Charles J. Bank

James R. McIntyre 103 Gillette Drive Franklin, TN 37069

June 29, 2000

Ms. Sara Kyle, Director Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Dear Ms. Kyle:

We are writing today to protest the approval of the Lynwood Utility District's new rate increase. The new rate of \$5.77 per 1000 gallons of water used is a sudden quadrupling of water and sewer rates and is alarming.

It appears that the consumer's interests have been abused in order to secure the profitability of the subdivision developers that have fostered the rate increases. David Terry and Smith, Crowe, & Wilson are getting away with robbery. These developers have misled us, and their complex financial dealings must be investigated thoroughly.

Please consider the Petition for Reconsideration at you July 11 meeting.

Sincerely,

(Jim & Betty McIntyre

July 3, 2000

Ms. Sara Kyle, Director Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Dear Ms. Kyle,

As a twenty-five year resident of Cottonwood Subdivision, and now retired, I am greatly concerned about the Tennessee Regulatory Authority approval of Lynnwood Utility's requested rate increase.

This decision has already become evident. This borders on being ludicrous. It is most definitely outrageous!

I firmly believe this rate increase is grossly excessive and should not be allowed to stand.

Your assistance in reducing this exaggerated rate will be greatly appreciated.

Respectfully,

William E. Young

Date: 7/7/00 9:43am

Subject: Lynwood Utility - Cottonwood Subdivision

Dear Ms. Kyle,

As a five-year Cottonwood Subdivision resident, I want to express my concern over the recent rate increases for Lynwood Utility approved by the Tennessee Regulatory Authority. It is my understading that on July 11th you will consider our petition for reconsideration. I hope you and your committee will consider the following points in your review:

- 1. Lynwood Utility has been owned since 1996 by parties involved in the development of two new subdivisions, Legends Ridge and River Landing, which are also serviced by Lynwood Utility. There is certainly potential for conflict of interest in this scenario, which lends some doubt as to the validity of the information Lynwood has provided to the Commission.
- 2. The Cottonwood Homeowners Association communicated in good faith with these parties to be involved in decisions that would effect the rates. In return, Lynwood did not actively communicate back to the Board regarding the scheduled hearings for the proposed rate increase. It is my understanding that the residents of Cottonwood were not directly represented at your May 10th hearing.
- 3. Lynwood's new rate of \$5.77 per 1000 gallons of water used is an increase of 300-400% for Cottonwood Residents. This rate is approximately 70% higher than other sewer service rates in our area.
- 4. Lynwood Utility significantly understated revenue projections by not including many of the residences that will be built and paying sewer fees from the two new subdivisions.
- 5. The calculation of our rates based on water usage does not accurately reflect the inmpact of individual household sewer usage. If I choose to use water for landscaping (and pay for that water) I should not be penalized financially for sewer usage.

Certainly an important issue related to this hearing should be the required upgrades to Lynwood Utility's plant. However, Lynwood Utility took upon itself a major expansion as well as upgrade, for which the residents of Cottonwood should not be responsible. The costs of expansion should be directly passed back to the developers and/or residents of the two new subdivisions!

Thank you for your consideration of these points as you discuss the petition.

Sincerely,

Eric P. Zinckgraf Tiffany C. Zinckgraf 113 Cottonwood Drive Franklin, TN 37069 (615) 794-3129

.

From: "Natsch, Cynthia J" <Cynthia.Natsch@CIGNA.com>

To: "'skyle@mail.state.tn.us'" <skyle@mail.state.tn.us...

Date: 7/7/00 11:28am

Subject: FW: Lynnwood utilities

Ms. Kyle:

- > I am corresponding with you in reference to the recent rate increase by
- > Lynwood Utility.
- > As a resident of Cottonwood subdivision, Franklin, TN, I would like to
- > express my
- > dissatisfaction with the rate increase.

>

- > A reasonable rate increase is to be expected in any utility over time,
- > however the rate increase
- > of \$5.77 per 1000 gallons of water is ridiculous. Not only is this about a
- > 300% increase for
- > the subdivision, it is also app. 60 to 70 percent higher than other local
- > sewer services.

>

- > (Another area of concern are the new housing development "projections"
- > under the realm of
- > Lynwood Utility. This utility company is owned by the land developers of
- > the adjacent River Landing
- > and Legends Ridge subdivisions.)

>

- > Your investigation into the matter and appropriate corrective action is
- > requested.

>

- > Cindy Natsch
- > CIGNA Printing and Distribution
- > Tele# 615.595.3616
- > Fax# 615.771.2701
- > Email: Cynthia.Natsch@CIGNA.com

>

- > 228 Countryside Drive
- > Franklin, TN 37069

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To:

Mr. Melvin Malone

Mr. Lynn Greer

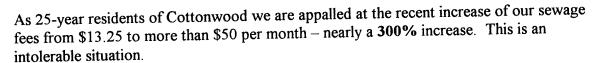
Ms. Marsha Blackburn

From:

Bill & Becky Darby

Date:

June 30, 2000



Ms. Sara Kyle

Mr. Charles Sergeant

Since 1996, developers of the Legends Ridge and River Landing subdivisions have owned Lynnwood Utility because they needed access to and control of a sewage treatment plant in order to be able to develop their subdivisions. Lynnwood's owners misled and misrepresented their plans to the Cottonwood Homeowners' Association Board of Directors, leading the Board to believe that rates paid by Cottonwood residents would not be adversely affected by Lynnwood's expansion plans. That is obviously not the case.

These land developers who became Lynnwood Utility owners have engaged in a complex sequence of financial arrangements that must be more fully explored by the TRA to ensure that Lynnwood Utility's customers' interests have not been sacrificed to secure the profitability of the owners' (David Terry and Smith, Crowe, Wilson) land developments.

As mentioned above Lynnwood's new rate of \$5.77 per 1000 gallons of water used is an increase of 300-400% for Cottonwood residents. The new rate is also approximately 70% higher than other sewer service in our area. Revenue projections provided to the TRA by Lynnwood Utility are grossly understated due to their failure to reflect the revenues generated by the number of additional households coming on line in Legends Ridge and River Landing.

Lastly, we feel that it is an absurdity for Cottonwood residents to subsidize the cost of sewage treatment for the much more affluent subdivisions of Legends Ridge and River Landing. We ask that all of you please do whatever possible to reverse this horrendous situation.

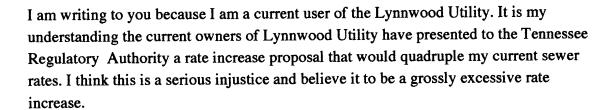
Respectfully,

Becky and Bill Darby 216 Countryside Drive Franklin, TN 37069 (615) 794-6084 bdarby@isdn.net Thomas V. Wilk 161 Riverwood Drive Franklin, TN 37069

July 5, 2000

Ms. Sara Kyle
Director – Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

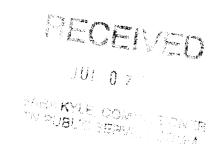
Dear Ms. Kyle:



For your benefit, the developers of the Legends Ridge and River Landing subdivisions have owned the Lynnwood Utility. They owned the utility because they needed access to and control of a sewerage treatment plant in order to be able to develop their subdivisions.

During the course of various informational meetings with Lynwood Utility, their owners misled and misrepresented their plans to the Cottonwood Homeowner's Association Board of Directors. This lead our board to believe that rates paid by Cottonwood residents would not be adversely affected by Lynnwood's treatment plant expansion plans.

The land developers who became Lynnwood Utility owners (David Terry followed by Smith, Crowe, Wilson LLC) have engaged in a complex sequence of financial arrangements that must be more fully explored by the TRA to ensure that Lynnwood Utility's customers interests have not been sacrificed to secure the profitability of David Terry's and Smith, Crowe, Wilson's land development.



Lynnwood's new rate of \$5.77 per 1000 gallons of water used is an increase of between 300% -400% for Cottonwood residents. The new rate increase is approximately 70% higher than the other sewer services surrounding Cottonwood.

The revenue projections provided to the TRA by Lynnwood Utility are grossly understated due to their failure to reflect revenue generated by the number of additional households coming on line in the Legends Ridge and River Landing subdivisions.

I appreciate your consideration while reviewing this matter. I think you will find the facts don't support the need for a 300% - 400% sewer rate increase by the Lynnwood Utility. Thank you in advance.

Sincerely,

Thomas V. Wilk

Thomas V. tal

Copy: File

From: Michael Shearer <mtshearer@mindspring.com>

To: mmalone@mail.state.tn.us <mmalone@mail.state.tn.us>; skyle@mail.state.tn.us

<skyle@mail.state.tn.us>; lgreer@mail.state.tn.us <lgreer@mail.state.tn.us>

Cc: rep.charles.sargent@legislature.state.tn.us

<rep.charles.sargent@legislature.state.tn.us>;
sen.marsha.blackburn@legislature.state.tn.us
<sen.marsha.blackburn@legislature.state.tn.us>

Date: Friday, June 30, 2000 5:16 PM

Subject: Lynnwood Utility

Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Re: Lynnwood Utility

Mr. Malone, Ms. Kyle, Mr. Greer:

This communication is to provide input to the TRA concerning the recent rate increase by Lynnwood Utility District in Williamson County. It is my understanding that TRA will consider a Petition for Reconsideration of this increase on July 11.

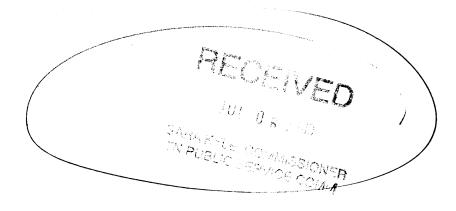
While none of the customers of Lynnwood Utility would question the need for upgrades and improvements, we are quite concerned about the amount of the rate increase to pay for them. The new rate, \$5.77 per 1,000 gallons of water used, is 3-4 times the previous rate, and is about 70 percent higher than the rates charged by other utilities in the area.

When this was first announced, most Cottonwood residents worried that our rates were being raised more than what was needed for repairs and upgrades -- we suspected that we were paying for the additional capacity to serve Legends Ridge and River Landing. The Williamson AM section of the Tennessean this week confirmed that. If Mr. Terry did in fact waive tap fees for purchasers of his lots in Legends Ridge, while at the same time raising rates for existing customers, that is unthinkably arrogant and unethical.

Clearly, the rate increases for existing customers should reflect the capital required to repair and upgrade the system, and whatever the operating costs are after that. The capital to build additional capacity should be covered by tap fees for new customers. I would urge TRA to consider this in reviewing and revising the rate structure for Lynnwood Utility.

Thank you for allowing my input.

Michael Shearer 1007 Whalley Court Franklin, TN 37069 615-591-7704





130x 0 1200

1307 Glade Drive Franklin, Tennessee 37069 June 30, 2000

Ms. Sara Kyle
Director – Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Lynnwood Utility/Cottonwood Subdivision

Dear Ms. Kyle:

Due to the recent action of the TRA you should be made aware that the utility bills for many Cottonwood residents have tripled or quadrupled. At a minimum I think it would be safe to state that everyone's bill has risen by at least 100%.

Lynnwood's new rate of \$5.77 per 1000 gallons of water used is an increase of 300% to 400% for many Cottonwood residents. The new rate is approximately 70% higher than other sewer services in our area. Also, revenue projections provided to the TRA by Lynnwood Utility are grossly understated due to their failure to reflect the revenues generated by the number of additional households coming on line in Legends Ridge and River Landing.

Please re-visit the issue of the proposed increase by the Lynnwood Utility District at your next meeting on July 11, 2000.

very truly yours

Cynthia C. Lees

From: Bruce Weekley <BruceW@VentureConstruction.com>
To: "'Mr. Melvin Malone'" <mmalone@mail.state.tn.us>

Date: 6/30/00 10:09am

Subject: Lynnwood Utility, docket # 99-00507

Dear Mr. Malone,

Granting Lynnwood Utility's sewer rate increase on 5/10/00 was the was the worse example of "regulation" by a government agency which I have been involved with. To grant an increase of 300% to 400% is not fair and is very irresponsible in your office "regulating" such rate increases. There appears to have been no regulation by the TRA, just "file all the paper work and we will grant any request you make." I spoke with someone at TRA and they stated that this rate was in line with what is common in the area. Well, if The TRA had studied the facts you would have discovered that the water rates charged by the City of Franklin and other water companies do not compare to the high rates that HB& TS charge. For TRA to even suggest that we "Cottonwood residents will be just getting charged for sewer as per Franklin residents" is absurd! A typical house in Cottonwood who uses 10,000 gallons of water in one month will pay \$57.70 for water: A Franklin resident on the other hand would only pay \$23.40, less than half. A Franklin Residents sewer is set at only 85% of his water bill not 100%. So a Cottonwood resident pays \$57.70 for sewer and Franklin resident pays \$22.55: does this seem fair? In talking with your office it was stated that "Lynnwood was losing money". In reviewing their profit and loss statement for 1998, which I found in your docket documents, Lynnwood showed a loss of \$27,593.68 which is almost exactly what they spent on Legal and Professional Fees? Looks like to me the sewer operation was running OK but the management was the problem. Through Oct. 11, 1999 Lynnwood showed a loss of \$44,732.49. One item that looks strange is the \$30,176.64 for sludge removal, this looks like it was funded in a loan for expansion per item 10-9/24/99.

Mr. Malone, The Cottonwood Residents are not asking for a free ride by any means but I just received my June water bill and it is for over \$ 100.00 dollars. I can assure you that I did not send that much extra sewerage down to Lynnwood. In the past Lynnwood has always use a flat rate of billing and I am quite sure that an equitable flat fee could be charged and Lynnwood could make ends meet. I feel an increase to \$30.00 per Cottonwood house should be sufficient to cover Lynnwood' operation. This would represent an 85 % increase. This would give Lynnwood \$ 174,200 for the year which is a \$35,000 increase over 1998 or a 25 % increase over 1998 which is more than five times the inflation rate for the same period.

One other issue, I do not mind paying for upgrading the sewer plant for Cottonwood Use which the plant was originally built for, but to expect Cottonwood Residents to subsidize expansion and major capital expenses is totally wrong. Cottonwoods' sewer usage has not increased beyond 1,510,080 gallons per day (according to the Summary on Item 7-9/24/99). Why should I pay to double the capacity so developers can sell their overpriced lots and houses at my expense.

Thank you in advance for your consideration of this matter which is of dire monetary importance to myself and others.

Thanks,
Bruce Weekley
Vice President
Nashville Division

From: <Creinh0050@aol.com>

To: Chairman - TRA <mmalone@mail.state.tn.us>, Ms. Sar...

Date: 7/1/00 7:47am

Subject: TRA approved Lynnwood Utility rate increases

Please reconsider the action taken by the Tennessee Regulatory Authority (TRA) on May 10, 2000 when the TRA approved the Lynnwood Utility's requested rate increase.

We Cottonwood Estates home owners are experiencing sewer bills that have suddenly tripled or quadrupled since this rate increase. At \$5.77 per 1000 gallons of water, this rate is approximately 70% higher than other sewer service in our area.

It appears that Lynnwood's owners mislead and misrepresented their plans to Cottonwood Homeowners' Association Board of Directors, leading the Board to believe that rates paid by Cottonwood residents would not be adversly affected by Lynnwood's recent expansion. Further, revenue projections provided to the TRA by Lynnwood Utility appear to be grossly understated due to their failure to reflect the revenues generated by the number of additional households coming on line in the Legends Ridge and River Landing subdivisions.

It is my understanding that a Petition for Reconsideration has been filed and will be acted upon on the TRA meeting on July 11, 2000. I ask that this petition be given serious consideration.

Charles Reinhardt
Cottonwood resident/home owner

From: <RVKerl@aol.com>

To: <mmalone@mail.state.tn.us>, <skyle@mail.state.tn.u...</pre>

Date: 7/1/00 10:16am

Subject: Lynnwood Utility Rate Increase

Dear TRA Directors:

I'm writing in regards to Lynnwood Utilitiy's recent rate increase for sewer services. This rate increase was recently approved by the TRA. I believe this increase is grossly excessive and needs a more careful review.

I am a resident of Cottonwood subdivision and have lived in the area for five years. Due to your approval of Lynnwood's request for a rate increase, my sewer bill has increased from \$16.25 to over \$57.00 per month. Amazingly, this represents an increase of over 350%. I recognize that Lynnwood's costs have increased over the years and I am fully supportive of paying a proportionate share of these increased costs, however 350% is excessive. In addition, Lynwood's new rate of \$5.77 per 1000 gallons of water used is approximately 70% higher than other sewer service in our area.

I feel all of you should be aware of some interesting facts concerning this matter.

- * Since 1996, developers of the Legends Ridge and River Landing subdivisions have owned Lynnwood Utility because they needed access to and control of a sewage treatment plant in order to be able to develop their subdivisions. This should be considered a conflict of interest.
- * Lynnwood's owners misled and misrepresented their plans to the Cottonwood Homeowners Association Board of Directors, leading the Board to believe rates paid by Cottonwood residents would not be adversely effected by Lynnwood's expansion plans.
- * These land developers who became Lynnwood Utility owners (David Terry followed by Smith, Crowe, Wilson, LLC) have engaged in a complex sequence of financial arrangements that must be more fully explored by the TRA to ensure that Lynnwood Utility's customers' interest have not been sacrificed to secure the profitability of the land developers.
- * Revenue projections provided to the TRA by Lynnwood Utility are grossly understated due to their failure to reflect the revenues generated by the number of additional households coming on in Legends Ridge and River Landing. This misrepresentation will allow the Lynnwood Utility owners to grossly over earn on their investment.
- * As an enticement to sell more lots in Legends Ridge, David Terry waived many of the sewer tap fees that builders typically pay. These tap fees should have been used to fund the capital improvements to the sewer plant. Rather, the owners are choosing to recoup their investment through the existing customer base (Cottonwood residents).

The Cottonwood Homeowners Association has investigated this matter and have officially requested the TRA to reconsider its action. A Petition for Reconsideration is scheduled for July 11, 2000, at which time I hope you will take appropriate action. As a concerned citizen, I hope you can recognize

the fraudulent activity of Lynnwood Utility's owners and reconsider your recent approval of their request for a rate increase. I'm sure an investigation, by your Staff members, will discover that Lynnwood's owners misrepresented their plans to the TRA just as they did to Cottonwood residents.

Your consideration will be greatly appreciated.

Bob & Susan Kerley 156 Riverwood Drive Franklin, TN 37069 615-591-4259

From: <ToniKirs@aol.com>

To: <skyle@mail.state.tn.us>

Date: 7/1/00 7:54pm

Subject: Cottonwood Sewer Rate increase Docker 99-00507

Dear Ms. Kyle:

I am writing to protest the high increase in my sewer bill and to support the appeal of Docket 99-00507, Lynwood Utilities Rate increase. I was paying 14.25 a month for our 3 bedroom home. My next sewer bill will be about 55.00. Normally my water bill is under 20.00, however, with watering my bushes and flowers our water use in the summer has increased. I agree that an increase would be fair but I would rather it be based on a flat rate instead of on water use.

The city of Nashville allows for a percentage decrease for summer months on use of water that doesn't require sewer use, i.e., watering, children swimming pools, car washing etc. Lynnwood said they do not know how to judge this. Ask Nashville they being doing it for years and there should be no problem giving credit immediately for this type of water use.

I believe we are being used to support a sewer system for new developments. Please reconsider the how sewer costs are evaluated and consider a price break for watering during summer dry month.

Thanks for your time and consideration in this matter.

Sincerely, Toni Kirspel Lot 366 Cottonwood Estates 615-790-3845 From: "Duane Thompson" <sdthompson1@prodigy.net>

To: <mmalone@mail.state.tn.us>

Date: 7/2/00 3:06pm

Subject: Lynwood Utility rate increse

To Whom It May Concern,

We have recently been shocked by the enormous rate increase by the Lynwood utility district for

our sewer. The old rate has been at least tripled on our new bill. When the Utility district was

requesting the rate increase, they continually referred to the fact that the rate had not been

changed for years. We were expecting a rate adjustment but a 300% increase is ridiculous.

The new rate is as much as 70% higher than other sewer service in the area. At the present

rate we are paying for our water twice(The outgoing rate is slightly higher than the incoming rate)

It appears that the owners of Lynwood Utility are requiring the residents of Cottonwood to

subsidize their new developements (Legend's Ridge and River Landing).

I understand that the former owner, Mr. David Terry, may have "stuck" the utility with some

bad debts but the residents of Cottonwood should not be left holding the check. I don't understand

how these exoribidant rates are justified to secure the profit margins of the former and present

owners of the utility.

As citizens of Tennessee and Williamson County, my wife and I ask that you address this matter in the July 11 meeting for the Petition for Reconsideration. We realize that the rates needed adjusting but the new rates are burdensome and unfair. I thank you for the time and effort you put forth into public service and ask for your attention in this matter.

Sincerely,

CC:

Duane & Sherry Thompson sdthompsonl@prodigy.net 709 Mockingbird Drive Franklin, Tn 37069 615-794-8244

<skyle@mail.state.tn.us>, <lgreer@mail.state.tn.us...</pre>

Date: 7/2/00 4:18pm

Subject: Lynnwood Utility Rates

Ms. Director,

I am writing you to express concern about the dramatic increase in utility rates we in Cottonwood have recently received from Lynnwood Utility. In my case, the increase is about 250%, with no actual change in service received.

The onlt change seems to be that the developers of Legends Ridge bought the utility and need money to continue their development. There seems to be a conflict of interest which the TRA should at least look at.

Thank you for you time.

Sincerely,

Tom Koentop 170 Riverwood Drive Franklin, TN 37067 615.790.3641 sandytom965@aol.com From: <Richard_Waggoner@agla.com>
To: <skyle@mail.state.tn.us>

Date: 7/3/00 8:00am
Subject: Lynnwood Utility

Ms. Sara Kyle Director-TRA 460 James Robertson Parkway Nashville, TN 37243

Dear Ms. Kyle,

I am writing this letter to express my dissastisfaction with the TRA. I am a resident of Cottonwood wich uses Lynwood Utility for its sewer service. Recently the TRA allowed Lynnwood to raise my sewer rates 280%. This is about 70 % higher than other sewer service in our area. It now costs me more to flush my toilet than it does to fill it up!

I understand that there may have been some poor management in the past, and have recently watched some upgrading of the facility take place. The upgrading of the facility was to accomodate 2 new (very elite) neighborhoods and possibly some existing neighborhoods. I have also read that David Terry waived hook up charges for 77 lots in Legends Ridge (in Williamson AM yesterday). That really burns me! We in a somewhat modest neighborhood are subsidizing the service to houses that cost 5-6 times what mine is worth. These people buying 750,000 homes can't afford to hook up their own service?

We have also been informed that there will be no adjustment for irrigation in the summer. We have the option of adding an additional water line at a huge expense if we don't want to be charged for this.

When Lynnwood talk to Cottonwood's Homeowner's Association the indicated that the expansion would not adversely affect our rates. 280% seems pretty adverse to me.

I also understand that revenue projections that Lynnwood used to secure this increase from the TRA did not reflect revenue from the additional households comming online in River Landing and Legends Ridge.

Please, please look into this! We have no choice in who we use for sewer service. I cannot shop around!

Sincerely,

Richard Waggoner 803 Shady Glen Ct. Franklin TN 37069

615-791-9258 h 615-749-1839 w From: "Robert Lowry" <rlowry@lwol.com>

To: <mmalone@mail.state.tn.us>

Date: 7/3/00 4:22pm

Subject: Cottonwood Sewer Rate Increase

Dear Mr. Malone:

I have been a resident of Cottonwood since 1978. In spite of retirement and a reduced, fixed income my wife and I along with our disabled daughter hope we can continue living in this family-oriented community.

One of the difficulties in retirement is developing a family budget that will allow for the necessities and a few of the extras in the latter years. Our budget requires constant adjusting because of increased costs of the necessities.

When learning of the new sewer rates announced by Lynnwood Utility I was astounded. I simply couldn't believe that the new rate will be \$5.77 per 1,000 gallons of water used. This will increase sewer rates in excess of 300% for Cottonwood residents and make the new rate about 70% higher than other sewer services in our area.

Somehow my wife will budget this increase. Though we agree that some increase is justified we feel this exorbitant increase is grossly unfair.

Furthermore, we feel that the Cottonwood Board has been misled by Lynnwood's owners. The owners (developers of Legends Ridge and River Landing), who purchased the utility in 1996, led the Board to believe that their expansion would not adversely affect our sewer rates.

It is also our understanding that the revenue projections presented to the TRA by Lynnwood Utility are greatly understated, in that they do not reflect revenues generated by the number of additional households in Legends Ridge and River Landing. As a Cottonwood resident I do not feel I should subsidize the new households that will use the sewer service.

My only request is that the TRA look at all the facts and arrive at a fair and equitable plan for all the parties involved.

Sincerely,

Robert N. Lowry 608 Countryside Court Franklin, TN 37069 rlowry@lwol.com

 From: "James A Savage" <james.savage@home.com>

To: <mmalone@mail.state.tn.us>, <skyle@mail.state.tn.u...</pre>

Date: 7/4/00 12:27am
Subject: Lynnwood Utility

I am contacting each of you to let you know of my concerns regarding the recent extraordinary rate increase in Lynnwood Utility's rates.

I am also writing to let you know of my concerns regarding the change in the method used by Lynnwood Utility to determine the rates that consumers will be charged for their services. I was shocked to learn that such a change could be made without prior comment by, or notification to, Lynnwood Utility's customers.

Since 1996, developers of the Legends Ridge and River Landing subdivisions have owned Lynnwood Utility because they needed access to and control of a sewage treatment plant in order to be able to develop their subdivisions.

Lynnwood's owners misled and misrepresented their plans to the Cottonwood Homeowners Association Board of Directors, leading the Board to believe that rates paid by Cottonwood residents would not be adversely affected by Lynnwood's expansion plans.

These land developers who became Lynnwood Utility owners (David Terry followed by Smith, Crowe, Wilson, LLC) have engaged in a complex sequence of financial arrangements that must be more fully explored by the TRA to ensure that Lynnwood Utility's customers' interests have not been sacrificed to secure the profitability of David Terry's and Smith, Crowe, Wilson's land development.

Lynnwood's new rate of \$5.77 per 1000 gallons of water used is an increase of 300-400% for Cottonwood residents. The new rate is approximately 70% higher than other sewer service in our area.

Revenue projections provided to the TRA by Lynnwood Utility are grossly understated due to their failure to reflect the revenues generated by the number of additional households coming on line in Legends Ridge and River Landing.

Basing sewage service on water usage rates seems incongruous. How could water usage, including irrigation and outdoor use that will never enter

the Lynnwood Utility treatment plant, be related to the amortized cost per person of providing sewer service and treatment facilities?

Please reconsider this decision.

Sincerely,

James A. Savage

James A. Savage 132 Cottonwood Drive Franklin, TN 37069 (615)794-8720 james.savage@home.com From: <JimKirs@aol.com>

To: <skyle@mail.state.tn.us>

Date: 7/4/00 8:38am

Subject: Lynnwood Utilities Rate Increase Docket # 99-00507

Dear Chairman Melvin Malone, TRA

I am writing to complain about the exorbitant rate increase by Lynnwood Utility.

When our development (Cottonwood) was created, our homes paid for the original sewage facility as part of our purchase price. I took a tour of the facility when I bought in 1976 and found out that it was sized for twice the number of taps as Cottonwood since there were already plans for a Cottonwood II Development. Also, I was told that it was a nonprofit Organization.

I do not feel nor want to pay for additions to the facility caused by developers. Some of these developers have been given free taps unlike me. Any costs associated with capacity additions due to new users should by all rights be paid for by the new taps and not me.

Since the inception of Lynnwood, it should have had Revenues of over \$2,000,000. I do not want to pay for fixing something up that was, as Lynnwood says, mismanaged all of these years.

I have looked at their projected expense sheet for 2000 and find expense increases that cannot be justified to be put back on us original users.

First of all, they tout their proposed agreements to have Franklin and HB&TS Utilities collect data and bill us. That bill processing fee is over \$25,000 more than for 1999 -- really a great deal (ha!) that I would be run out of my job for doing. Seems to me Mr. Lamb would like us to pay for his convenience. All in all, the Office Overhead went from \$19,000 to \$47,000 (Discounting Debt Service, Depreciation and Amortization).

Second, they doubled their trash removal cost from 1999, the place is not very big and \$300/mo. is a bit high since it only cost \$900 in all of 1999 save for two months where they had \$1,600+ costs which most likely was a result of all those years of mismanagement.

Third, why does the franchise tax go from \$1,833 to \$5,432. Their area did not increase!

Fourth, there is a 40% increase in Electric Bills. If this is due to the new customers then the new customers should be able to help them absorb that, else they put some less efficient equipment in. I would need to know the reason behind that. This tacks on \$10,000 more to the rate base.

Fifth, Sludge Disposal stayed the same. Last year and this, they had to clean out the sludge of many many years which is a lot higher cost than sludge removal maintenance. Again, I do not want to pay for past owners mistakes -- the new owners should have realized this and reduced their purchase price to cover same.

Remedies:

I know this company is due a rate increase as long as it is fixed rate.

The cost of new lines and service taps must be born by the new developers. I do not believe they should be "for profit" -- this only encourages them to be lax with their expenses so they can create more profit.

They should continue to do their own billing. Fixed Rates are much cheaper to bill.

Any increase should be provisional and be reviewed annually with our input each time there is to be a change -- Newspaper Announcements do not get it.

An investigation is needed in order to unravel a lot of what I call business voodoo in how these Lynnwood operation changed hands and the arrangements made. Seems to me the series of owners have used Lynnwood as a way to insure they get the best advantages in creating their new developments and to serve their best interests. They do not seem to have the customer's best interest in mind.

I believe there is a law or regulation that says Homeowners cannot own a treatment plant. I think the same should go for Developers -- it creates a hugh conflict of interest otherwise.

I will be out of town during the next TRA Meeting taking care of sick Parents - I would really have liked to attend. If for some reason, the review has a second hearing after the next meting, I would like to be invited.

Thank you for taking time to consider this too long a memo. I appreciate your efforts on behalf of the Citizens of our State.

Jim Kirspel 615-790-3845 EMAIL JimKirs@aol.com 905 Hawthorne Court, Franklin, TN 37069 Cottonwood Estates Lot #366

cc: Melvin Malone Lynn Greer Charles Sargent Marsha Blackburn From: Nancy Taylor <nancytaylor@home.com>

To: <skyle@mail.state.tn.us>

Date: 7/5/00 7:38am

Subject: Lynnwood Utility Sewer Rate Increase

Dear Ms. Kyle,

Please take a moment to review my complaint about the extreme increase in our sewer rates from Lynnwood Utility.

We have lived in Cottonwood Subdivision (702 Mockingbird Drive, Lot #222) since August 1992. Since that time, of course, we have paid the monthly flat rate for 3 bedrooms/2 baths of \$14.25 to Lynnwood Utility. While I realize this was a relatively low rate and probably inadequate because there was no measure of actual use and because the rate had not been increased for so long, I feel the rate we have begun being charged now, is exorbitant and excessive.

When I received initial notification of a pending rate change, I was not too overly concerned, as I knew that utility rates were regulated in Tennessee, and that even though we were initially told that "most homeowners in Cottonwood Subdivision will probably experience an increase in their nomthly sewer cost", I trusted the change would be reasonable. I have never lived in any utility district in Tennessee (and we have lived in several different water/utility districts over the years) where sewer rates were more than 50% of water rates. Our water bill from HBTS has run in the \$40-\$50 per month range, so I anticipated the monthly cost might double at worst.

When I received what appeared to be a "full billing" from Lynnwood under the new measured service billing system, I was shocked. It was for \$46.16 - as much as my water bill, or more! There was very little explanatory information on the bill, but there was a note that stated that "Sewer will not be billed again for approximately 60 days." I then assumed that this must be for 2 months service, and that was not too unreasonable. However, my next bill came in about 30 days later and even though we had an unusually low water bill the month before, this time it showed "for service from 4/14/2000 - 5/12/2000." This finally let me know that I was now paying MORE for sewer service than for water! And, I now realize, the rate increase has effectively been 300% to 400%.

I will be attending the meeting for Reconsideration on July 11. In your preparation for that meeting, please consider the following points:

- * The purchase of Lynnwood Utility by the developers of Legends Ridge and River Landing subdivisions, in 1996, so that they would be in control of sewer services for those developments was misrepresented to Cottonwood residents, as our Board was promised the upgrade/expansion would not adversely affect our sewer rates.
- * Lynnwood Utility owners, the above mentioned developers, have been involved in extensive financial dealings that should be explored to ensure that Lynnwood Utility's customers have not been adversely effected to help improve the financial results of those developments.

- * Have the revenue projections used by Lynnwood Utility owners in having rates set been adequately adjusted for the additional revenues that will be generated from the new developments coming online? Were tap fees for hooking up customers in the two new developments adequately considered in the rate-making process?
- * The new sewer rate of \$5.77 per gallon use is, on it's face, exorbitant. From the information I have received, I understand this rate is 60% to 70% HIGHER than other sewer service rates in our area.

Please give due consideration to our appeal. We appreciate your consideration of our petition.

Respectfully, Robert D. Taylor & Family 702 Mockingbird Drive Franklin, TN 37069 (Cottonwood Lot#222) From: <ToddRo@aol.com>

To: <skyle@mail.state.tn.us>

Date: 6/25/00 10:12pm Subject: docket # 99-00507

Dear Ms. Kyle,

I am writing to request that you, and the board of the $T.\ R.\ A.$, please reconsider the rate increase which the $T.\ R.\ A.$ has recently approved for Lynwood Utility Corporation.

I am a resident of the Cottonwood Estates subdivision, and I feel that this rate increase is unnecessarily high. Furthermore, the events leading up to the rate increase, and the reasons for it seem to be somewhat suspect. The new rate represents a 170 percent increase over the previous rate, and is more than double the rate charged by other sewer services outside the Franklin City Limits. This is clearly out of line.

The reason for this increase is also not in our best interest. The Lynwood facility was upgraded so that it could be used in the service of the River Landing and Legends Ridge subdivisions. The principles of the Lynwood, including David Terry and Davis Lamb, clearly misled representatives of the Cottonwood Subdivision in detailing the economic impact these subdivisions would have on Cottonwood. Furthermore, it is my understanding that the sale of Lynwood Utility to David Terry and later to the Southern Utility Corp. was never approved by the T. R. A. , yet you are now approving incredibly high rate increases for the current owners. In addition, there are several financial aspects of the funding of the Lynwood expansion that remain suspect, including a defaulted loan. It seems we are being asked to pay an inordinate amount for sewer services in order to subsidize property development by the principles of Lynwood Utility.

As Lynwood Utility has a monopoly on our sewer service, we are unable to deal with any other companies for this service. We are totally reliant on the T. R. A. to make certain that Lynwood Utility has acted in good faith, and that these rates are justifiable. I think the matters surround this case clearly show otherwise, and I would ask that you reconsider your approval of the rate increase, and that you rollback the rates to a rate that is more in line with the current "going rate" for county sewer service.

Thank you,

Todd Robbins 1311 Glade Dr Franklin, TN 37069 615-595-6936 From: "Claudia Fielder" <cgf33@prodigy.net>

To: <skyle@mail.state.tn.us>

Date: 6/29/00 5:23pm Subject: Lynnwood Utility

Dear Ms. Kyle,

I am a resident of Cottonwood in Franklin, and am very concerned about the increase in our sewer rates. Since 1996, developers of the Legends Ridge and River Landing subdivisions have owned Lynnwood Utility because they needed access to and control of a sewage treatment plant in order to be able to develp their subdivisions.

Lynnwood's owners misled and misrepresented their plans to the Cottonwood Homeowners' Association Board of Directors, leading the Board to believe that rates paid by Cottonwood residents would no be adversely affected by Lynnwood's expansion plans.

These land developers who became Lynnwood Utility owners (David Terry followed by Smith, Crowe, Wilson, LLC) have engaged in a complex sequence of financial arrangements that must be more fully explored by the TRA to ensure that Lynnwood Utility's customers' interests have not been sacrificed to secure the profitability of David Terry's and Smith, Crowe, Wilson's land developments.

Lynnwood's new rate of \$5.77 per 1000 gallons of water used is an increase of 300-400% for Cottonwood Residents. The new rate is approximately 70% higher than other sewer services in our area. It is outrageous!

Revenue projections provided to the TRA by Lynnwood Utility are grossly understated due to their failure to reflect the revenues generated by the number of additional households coming on line in Legends Ridge and River Landing.

This rate increase is grossly excessive and should not be allowed to stand. Please reconsider this action.

Thank you for your support.

Regards,

Claudia Fielder 127 Cottonwood Drive Franklin, TN 37069 From: "Brian Fleming" <blmj fleming@hotmail.com>

To: <mmalone@mail.state.tn.us>, <skyle@mail.state.tn.u...</pre>

Date: 6/29/00 5:49pm

Subject: Cottonwood Sewer Bill

Greetings,

I am a former VP of the Cottonwood Homeowners Association Board of Directorsand now a concerned citizen about the increase in our sewer bill.

While on the Board, I distinctly remember developer Dave Terry telling us the expansion to the sewer plant would not be funded by Cottonwood homeowners, but instead by the homeowners in the new developments it was being expanded to support, namely Legends Ridge and River Landing. Now I see our bills have increased dramatically and are now 70% higher than other sewer services in our area.

Please take action to correct the sewer bill for Cottonwood residents.

Brian Fleming 181 Cottonwood Drive Franklin, TN 37069 615-790-2550

Get Your Private, Free E-mail from MSN Hotmail at http://www.hotmail.com

From: <RihKel@cs.com>

To: <rep.charles.sargent@legislature.state.tn.us>

Date: 6/29/00 3:53pm Subject: Lynwood Utility

We need to make you aware that TRA has recently approved a rate increase to Lynwood Utility for the Cottonwood Subdivision residents in Franklin, TN, wherein the sewer fee has quadrupled. For the past nine years, we have paid a monthly charge of \$14.00. As of two months ago, our bill was \$51.00 and last month \$63.00.

The new rate that TRA has approved is \$5.77 per 1000 gallons of water which is an increase of 300-400% for Cottonwood residents. THE NEW RATE IS APPROXIMATELY 70% HIGHER THAN OTHER SEWER SERVICES IN OUR AREA.

New ownership of Lynwood Utility has been acquired by land developers (David Terry, Smith, Crowe, Wilson, LLC). They are currently developing a neighborhood adjoining Cottonwood.

Revenue projections provided to the TRA by Lynwood Utility are grossly understated due to their failure to reflect the revenues generated by the number of additional households coming on line in Legends Ridge and River Landing.

Please e-mail us at the below address so that we can be assured further investigation into this matter is being pursued.

Sincerely,
Mark & Kristie Kellner (RihKel@CS.com)

CC: <skyle@mail.state.tn.us>

From: <PUGGAH@aol.com>

To: <skyle@mail.state.tn.us>

Date: 6/29/00 3:21pm

Subject: Lynnwood Utilities debate

Dear Ms. Kyle

When we first moved to Cottonwood Subdivision in Franklin in 1994, it fulfilled a dream we had when we first married in 1978. To live in beautiful Williamson County was a given when we relocated here from Florida. My wife and I were delighted to find a home in this much sought-after community. Our neighbors are our friends.

In these last few years, we have bemoaned all the new developments springing up all around us. While the expensive new homes have perhaps brought our property value up, the increased water and sewer usage has caused major problems for us in Cottonwood. Lynnwood Utilities met with our Cottonwood Homeowner's Association and assured them that the upgrades being done to the sewer treatment plant would not effect our then monthly fees. But two months ago we received a new fill in the mail for \$40 and another for the next month for \$50. This is a jump from the usual \$16.75 a month! Some families received bills as large as \$100! This is ridiculous! This is 70% higher than sewer service in our same area!

The developers are David Terry and Smith, Crowe, Wilson LLC. Shouldn't they be assessed for these added improvements? After all, they are the ones who have made a lot of money from the sale of the lots to the builders. No one asked us if they could build multi-million dollar homes nearby and charge us for the improvements in a sewer system which was sufficient for the number of homes in our community. We are innocent. It isn't fair and someone needs to stand up for us.

Please do your part to fairly represent us in this matter. We appreciate and say thank you in advance for anything you could say or do to help us out.

Best Regards, Mr. and Mrs. Woody Peek, Jr. 609 Countryside Court Franklin, Tn 37069 From: "Robert S. Bennett" <bbennett@e-talk.com>

To: <skyle@mail.state.tn.us>

Date: 6/23/00 9:26am

Subject: Lynnwood Utility District Rate Increase

We are writing in protest of the rate increase given to Lynnwood Utility District. We feel that this increase is unjustifiably high and does not take into consideration the higher use of water in the summer months. We should NOT pay more for waste disposal than water usage.

In examining the numbers, we feel that the rate 5.77 per 1000 gallons is exorbitant. This new rate represents a 200% increase for sewage disposal over our previous rate. The non residents of Franklin are not charged as much for their sewage disposal. We should not have subsidize Lynnwood Utility for their mismanagement of funds and their expansion into the Legends Ridge and Rivers Edge subdivisions.

We are a three bedroom household in Cottonwood with only 2 adults. Since 1980 we paid \$14.25 per month for sewage. With this sudden increase in our rates, we have paid over \$30.00 each month and we have not begun to water the garden yet. Our average usage during the winter is 4000 gallons, but with hot, dry summers it will increase to 10,000 gallons. We feel it most unfair to have sewage charges based on water usage unless it is based solely on average winter usage between November to March. The increase in water usage in the summer does not enter Lynnwood Utility's system and they do not process any increased sewage.

Thank for your time and consideration on this important matter. Please reduce the rates and provide for winter average usage billing.

Robert S. Bennett Judith A. Bennett 302 Cypress Court

790-2409

rbennet8@bellsouth.net

From: <Obridgett@aol.com>

To: <mmalone@mail.state.tn.us>, <skyle@mail.state.tn.u...

Date: 6/29/00 12:31pm Subject: Lynwood Utilities

To my representatives and TRA members:

I am a resident of Cottonwood Estates in Franklin. As a neighborhood, we have been faced with one problem after another with regard to the newest housing developments in our area. From cutting access roads for the new residents through existing side streets to the obvious overloading of the sewage system (causing documented pollution hazards in the Harpeth River), it seems that these new developments are to be built, regardless of their impact on the residents who are already here.

I'm from southern California, I understand land development, and am not opposed to it on principle. Only when it is done irresponsibly. The latest impact of this irresponsibility is the raising of Lynwood Utility rates by over 300%, to a rate almost 70% higher than those of comparable utilities. The fact that Lynwood Utility is owned by the developers of River Landing and Legends Ridge is an unbelievable conflict of interest in the first place. That notwithstanding, to ask existing customers to pay for the upgrade of a utility in order to be able to service new customers is ridiculous! The TRA should not allow it.

As a resident of Williamson County, I have been appauled by the complete ownership of any sort of government body by land developers. I'm not sure how it is that this sort of collusion continues. However, this action by Lynwood Utilities is so far over the top, I cannot believe that it will stand public scrutiny. I am asking you to be sure that it does not.

Thank you for your time and attention.

Best regards,

Bridgett Evans O'Lannerghty 162 Cottonwood Drive Franklin TN 37069 From:

"Robert S. Bennett" <bbennett@e-talk.com>

To:

<lgreer@mail.state.tn.us>

Date:

6/23/00 9:24am

Subject:

Lynnwood Utility District Rate Increase

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District. We feel that this increase is unjustifiably high and does not take

into consideration the higher use of water in the summer months. We should

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Robert S. Bennett Judith A. Bennett 302 Cypress Court

790-2409